

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF SOUTH)
ANDERSON WATER DISTRICT) CASE NO. 91-274

O R D E R

On August 7, 1991, South Anderson Water District ("South Anderson") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. South Anderson's supplier, city of Lawrenceburg, will increase its rate for wholesale water from \$0.89 to \$1.17 per 1,000 gallons effective October 8, 1991.

2. South Anderson proposes to increase the rates to its customers effective October 8, 1991.

3. During the 12 months ending June 30, 1991, South Anderson purchased 65,816,200 gallons of water and sold 63,651,280 gallons.

4. The increase in South Anderson's purchased water costs is \$18,429, resulting in a purchased water adjustment of 29 cents per 1,000 gallons.

5. The purchased water adjustment of 29 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

6. South Anderson included in its revised tariff a bulk water station charge which is not contained in its currently effective tariff. Additionally, an increase in South Anderson's service connection fee for 5/8 inch x 3/4 inch service was included in the filed revised tariff. The purchased water adjustment is designed for the purpose of providing a mechanism whereby a utility may recover the increased cost of purchased water only. No other increase in costs, new rates, charges, or changes in rate design may be considered under the purchased water adjustment regulation.

IT IS THEREFORE ORDERED that:

1. The rate adjustment as proposed by South Anderson is denied.

2. The purchased water adjustment of 29 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after October 8, 1991.

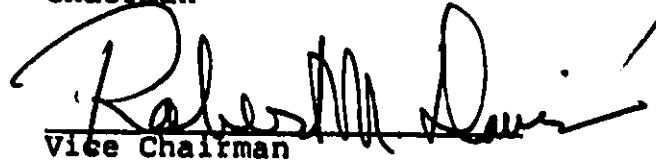
3. Within 30 days of the date of this Order, South Anderson shall file a revised tariff setting out the rates approved herein.

4. Within 30 days of the date of this Order, South Anderson shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 26th day of August, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-274 DATED 8/26/91

The following rates and charges are prescribed for the customers in the area served by South Anderson Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Gallage Block</u>	<u>Rate</u>
First 2,000 gallons	\$10.08 Minimum Bill
Next 1,000 gallons	4.79 per 1,000 gallons
Next 2,000 gallons	4.04 per 1,000 gallons
Next 2,000 gallons	3.29 per 1,000 gallons
Next 3,000 gallons	2.54 per 1,000 gallons
Over 10,000 gallons	2.29 per 1,000 gallons